

DOCUMENT RESUME

ED 383 378

JC 950 302

TITLE Comprehensive Financial Plan.
INSTITUTION Prince George's Community Coll., Largo, MD. Office of Institutional Research and Analysis.
REPORT NO PB95-13
PUB DATE 1 Jul 95
NOTE 29p.; For the accompanying Cost Containment Report, see JC 950 303.
PUB TYPE Reports - Descriptive (141) -- Statistical Data (110)

EDRS PRICE MF01/PC02 Plus Postage.
DESCRIPTORS Accountability; Budgeting; *Budgets; Community Colleges; *Educational Finance; Expenditure per Student; *Financial Needs; *Financial Policy; *Program Costs; *Retrenchment; Scholarships; School District Spending; School Funds; School Support; Self Evaluation (Groups); State Aid; Tax Allocation; Two Year Colleges
IDENTIFIERS *Prince Georges Community College MD

ABSTRACT

Pursuant to Maryland Higher Education Commission guidelines, this comprehensive financial plan for fiscal year (FY) 1994-98 for Prince George's Community College (PGCC) provides data on fiscal trends, strategic goals, and cost containment measures planned by the college. Following introductory materials and information on PGCC's mission, five sets of commitments related to the mission are described, including access and equity, community involvement and cultural activities, technical education and economic development, transfer preparation, and student growth and achievement. Next, discussions are provided of campus priorities for FY95-97, such as expanding services to the community, strengthening the effectiveness of PGCC's Educational Development program, and seeking external funding, and campus priorities for FY96-98, including downsizing efforts, increasing county contributions, and seeking external funding. Following a review of revenue and expenditure patterns from 1994-98, performance measures are identified for evaluating the college's success in achieving strategic priorities, highlighting targeted results of downsizing and productivity enhancement and measures of county and external funding. Information is then provided on declines in state and county support in the 1990's, PGCC's responses to declining public support, and the college's needs for FY1994-98. Finally, cost containment strategies for FY1996-98 are described. Data tables of revenues and expenditures for 1994-1998 are appended. (MAB)

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ED 383 378

Comprehensive Financial Plan

submitted to the

Maryland Higher Education Commission

July 1, 1977

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PRINCE GEORGE'S COMMUNITY COLLEGE
Office of Institutional Research and Analysis

Comprehensive Financial Plan, FY94-98

July 1, 1995

Introduction

The legislation adopted in 1988 reorganizing higher education in Maryland directed the Maryland Higher Education Commission to establish accountability guidelines and reporting schedules for public colleges and universities. The Commission identified achieving "productive and efficient use of state resources by each campus according to campus mission" as a priority initiative and imposed two new reporting requirements on state institutions: a four-year, comprehensive financial plan and annual reports of cost containment procedures. Commission staff, in conjunction with an advisory task force of college representatives, developed guidelines for these required reports during 1991. Because of their different budgetary process, the Task Force recommended that separate guidelines be designed for community colleges. A separate Community College Advisory Task Force for Financial Plans and Cost Containment Reporting to MHEC was convened. The new community college funding formula legislation (HB 204) passed in 1991 included language requiring each board of trustees to submit a comprehensive financial plan for FY92-95 (and annual plans thereafter) including (1) evidence of expenditure patterns consistent with approved roles and missions; (2) evidence of financial commitment to campus priorities; (3) description of performance measures for evaluating achievement of priorities; and (4) evidence of cost containment efforts, consistent with realistic funding and enrollment assumptions, for the purpose of eliminating or moderating tuition and fee increases. The Task Force developed a spreadsheet submission format incorporating the required indicators that was approved by MHEC staff. In March, 1995, the Commission released revised guidelines for the annual plans. This report follows the format outlined.

To place the spreadsheet data in context, we have included in this report a thorough statement of the mission and institutional commitments of Prince George's Community College. The essence of the institution is teaching and helping our students achieve. The initial performance measures adopted to evaluate our efforts were included in the *Student Learning Outcomes Assessment Plan* previously submitted to the Commission. Our assessment of the status of our achievements is included in our annual *Student Learning Outcomes Assessment Reports*, submitted to the Commission each fall. We will not duplicate all of that material here, but refer interested readers to the referenced reports.

Last year, the college identified three campus priorities for the FY95-96 period. These priority initiatives were adopted by the Planning Council during development of the institution's five-year strategic plan. They were included among the strategic priorities published in the annual *Master Plan* publication that guides institutional unit planning. An update on the status of these priorities is included in a later section of this report.

Mission Statement

Prince George's Community College is a comprehensive, public two-year college, organized and supported to provide high-quality, reasonably-priced postsecondary education to the citizens of Prince George's County, Maryland. The college is committed to educational excellence and maximum accessibility to the total community it serves. As an open-admissions, community-centered institution, the college seeks to respond to the needs of all students, regardless of age or educational background, and to the cultural and developmental needs of Prince George's County.

College Commitments

To provide focus to the college's broad purpose of serving the citizens of Prince George's County, the college has identified five sets of commitments that together give substance to its mission: access and equity, community involvement and cultural activities, technical education and economic development, transfer preparation, and student growth and achievement. While in any given year operational priorities may change, these commitments are the guideposts that frame institutional behavior.

Access and Equity

Prince George's Community College is committed to equality of educational opportunities by offering open admissions to students at all levels of ability and background, and by providing testing and advisement to assist students in selecting an appropriate course of study. By using multiple sites and delivery methods, the college is committed to providing educational programs at times and locations convenient to county residents. The college is committed to distance learning using high-technology instructional delivery methods. The college is committed to providing quality education at an affordable cost by striving to maintain an inexpensive pricing structure, by operating in an efficient and cost-effective manner, and by providing financial aid to students who need it.

By emphasizing accessibility, the college anticipates serving county residents with a variety of programs, to meet the needs of populations as diverse as the recent high school graduate exploring educational or career options, the mid-career person needing retraining, and the senior citizen preparing for a new life after a career. The college expects to meet the postsecondary educational needs of county residents regardless of gender, age, race, or ethnic identification. The college is committed to equitable representation of women and minorities in its staffing, including full-time faculty, administrative, and classified staff positions. Similarly, the college is committed to increasing minority participation in bidding and contract procurement.

Community Involvement and Cultural Activities

Prince George's Community College, a county-supported, community-centered institution, is committed to serving the cultural needs of the county through its programming, activities and special events, and provision of facilities for local organizational use. Through its activities program, the college encourages students to gain recreational, athletic, social, academic, and leadership experience, as activity planners, participants, or spectators. The college seeks to involve the community in fine arts, through its art exhibitions, theater presentations, lecture series, and other events, and by hosting organizations such as local symphonies and opera groups.

The college anticipates continued close cooperation with the county school system, through programs such as summer workshops to upgrade teacher skills and subject-area conferences for county school children and their parents. The Natatorium has expanded the already extensive use of its athletic facilities by county school, business, and civic groups.

Technical Education and Economic Development

Prince George's Community College is committed to supporting county economic development by contributing to an effective county workforce, by providing formal training and educational programs as well as professional development opportunities. Credit programs, open enrollment continuing education courses, and contract training offered through the college's Center for Business and Industry Training will all be responsive to the current and emerging needs of the county's economy.

Transfer Preparation

Prince George's Community College is committed to offering university-parallel coursework to effectively prepare students for transfer to senior institutions for further

study. The college's six transfer programs are articulated with the University of Maryland and other universities, and it is anticipated that students with transfer goals will successfully continue their studies at the four-year schools of their choice.

Student Growth and Achievement

Prince George's Community College is committed to ensuring that all degree-seeking students acquire the common body of knowledge, skills, and values that comprise general education. This common learning experience shall enable students to think and communicate intelligently and critically, equipping them for rational decisionmaking in an increasingly complex society. The college is committed to providing the support services necessary to assist students, regardless of their individual background or goals, to succeed.

Campus Priorities, FY95-97

The Planning Council, composed of 16 representatives from the college's administration, faculty, staff, and students, updates the college's strategic plan every spring. Following a presentation of environmental scanning information provided by the Office of Institutional Research and Analysis and a review of the status of the priorities identified in the prior year's *Master Plan*, the Council adopts a set of strategic priorities for the next three to five years. Three of these priorities were identified in last year's *Comprehensive Financial Plan*. Their relationship to the campus mission, as elaborated upon in the above statements of college commitments, will be obvious. A brief description of the status of the FY95-96 priorities follows:

1. Expand the college's service to the community through coordinated marketing and enrollment management strategies designed to attract and retain adult students and individuals who currently are not pursuing postsecondary education options. The college issued a request for proposals for the development and implementation of a comprehensive, multi-media advertising campaign. After an extensive review process, a contract for an amount not to exceed \$119,850 was awarded to an established full-service advertising agency, which provided the following services and products during fiscal year 1995: (1) preliminary market research to identify major themes, including a review of institutional literature and data, interviews with key personnel, and focus groups with students and nonstudents; (2) development of a concept and theme for an extended, multi-media campaign; (3) development and production of two television commercials, one radio commercial, and two print advertisements; (4) media buys for the spring promotion period on targeted stations of the county's two cable television systems, three metropolitan radio stations, and in one metropolitan and one all-county newspaper; (5) renewals

of campaign products for the summer promotion period; and (6) media buys for the summer promotion period on cable television, three radio stations, and in the student newspaper of the University of Maryland College Park. In addition, a change order for \$64,000 to the original contract was made for developing print materials to reflect the marketing message of the multi-media campaign. In June, 1995 the following recruitment products were delivered: 10,000 copies each of a financial aid brochure and folder; 10,000 copies of a viewbook targeting traditional students; and 5,000 copies of a viewbook targeting adult students. A contract not to exceed \$120,000 was made with the same agency to continue the comprehensive, multi-media advertising campaign in fiscal year 1996. This will include three promotion periods--fall 1995, spring 1996, and summer 1996; renewal and revision of products; a projected five percent increase in media-buy rates; and an increase in saturation of the campaign. Media buys will again include cable television, metropolitan radio stations, and area newspapers. In addition to the advertising campaign, other aspects of the college's *Marketing Plan* were implemented during FY95. The Marketing Council, after an initial retreat in September, broke into five work groups (promotion, customer service, image, product, and business and community input) that developed plans for putting "ideas into action." A county-wide telephone survey to assess the perceptions and needs of adult citizens was designed by the business and community input work group and the college's Office of Institutional Research and Analysis. Interviewing and data entry was contracted out to the Survey Research Center at the University of Maryland College Park at a cost of \$5,500. PGCC's research office will do the statistical analysis. The total outsourcing cost of \$5,500 represented a savings of \$65,700 from the anticipated cost of contracting out the entire analysis included in last year's *Comprehensive Financial Plan*. Finally, all college employees participated in customer service workshops during the year to improve the delivery of instruction, services, and information to students and others served by the college.

2. Provide for the learning needs of the college's growing population of academically underprepared and at-risk students, particularly by strengthening the effectiveness of the college's Educational Development program. The Educational Development division was able to accomplish all of the goals for fiscal year 1995 listed in last year's *Comprehensive Financial Plan*. Two new full-time faculty were hired; six instructional coordinators were hired to provide additional staffing of the learning laboratory; tutorial support was expanded to include reading and English; faculty were provided support to develop new course formats (for example, back-to-back 8-week courses in developmental mathematics); 75 new microcomputers were installed in the learning laboratory; and the library of instructional software was expanded. In fiscal year 1996, an additional full-time faculty member in developmental mathematics will be hired. With the new faculty and expanded tutorial support,

the division anticipates course pass rates will continue the increase realized during FY95.

3. Seek external public and private funding for scholarships, innovative and exemplary programs and services, faculty professional development, and equipment and facilities. During fiscal year 1995 the Development Office focused on grant programs designed to assist the college's at-risk student population. These efforts resulted in the funding of the Student Support Services program for the full amount requested (\$266,000), the college's first submission of an Upward Bound program proposal, and substantial work and planning on a Title III program proposal aimed at strengthening the college's service to developmental students. Overall, the college received grant awards totaling \$789,000. In response to the tuition increase, the college and Foundation began a concerted effort late in the year to seek contributions for tuition scholarships for the college's adult student population. Tuition scholarships will continue to be a priority in FY96, along with a campaign to equip the college's new science building which will open in January 1998. The length of time and target amount for the science building campaign has yet to be determined. Contributions to the college's annual fund and the Foundation totaled \$90,000 during fiscal year 1995.

Campus Priorities, FY96-98

The major challenge facing the college in the immediate future is constrained public funding. Recent deliberations of the college's Planning Council have focused on planning for the tight fiscal future. Three strategic priorities adopted by the Council reflect these concerns:

- 1. Develop and implement a downsizing and productivity enhancement program.** The college is committed to significantly reducing its staffing profile and employee compensation budgets, with as little negative impact on instruction and student services as possible.
- 2. Seek an increase in the level and proportion of funding the county contributes to the college's operating budget.** Past analyses have shown that Prince George's County has underfunded the community college, relative to state guidelines and the contributions made by neighboring counties to their community colleges. It is a priority of the college to see the county's contribution raised to a level commensurate with that of peer jurisdictions.
- 3. Seek external public and private funding for scholarships, innovative and exemplary programs and services, faculty professional development, and equipment and facilities.** Given that public funding of the college will probably

remain constrained during the foreseeable future, and that the Board of Trustees wishes to moderate future tuition increases, it is a priority of the college to seek funding from alternative sources.

Revenue and Expenditure Patterns

Actual and projected enrollment, revenue, and expenditure data for fiscal years 1994 through 1998 are included in tables appended to this narrative. They are presented in the spreadsheet format approved by Commission staff.

An independent auditing company conducts annual audits of PGCC's financial statements. They review internal control as part of their effort in forming an opinion on the financial condition of the college. The college has received an unqualified opinion in each of the years included in the comprehensive financial plan. The college has also resolved all points discussed in management letters for the years reviewed. The college will continue with annual audits including internal control reviews for the years included in the comprehensive financial plan.

State revenue, based on information provided by MHEC on May 8, 1995, is forecasted to decline approximately 2.1 percent in fiscal years 1996 and 1997 and 2.3 percent in fiscal year 1998. Our forecasts for state revenue are based on these estimates.

County revenue is expected to increase by an average of 6 percent in fiscal years 1997 and 1998. Tuition will remain at the FY96 rates for the years forecasted.

The Board of Trustees has heightened concerns about tuition levels and their impact on denying needy students access to a college education. If enrollment drops below projections to the level the college is currently experiencing, tuition may need to be substantially increased if the state and county do not increase their contributions.

Operating expenditures are expected to increase annually by an average of 2.6 percent in fiscal years 1997 and 1998. The increases are attributable to routine longevity increases for eligible employees, anticipated higher fringe benefit costs, and inflationary adjustments for the costs of supplies, furniture, and equipment. There is no provision for cost-of-living (COLA) increases in these projected expenditure levels. College employees last received a COLA in fiscal year 1991.

The academic indicators included in this plan provide evidence that Prince George's Community College is fulfilling its mission to meet the postsecondary educational aspirations of all County residents. The pattern of FTE enrollment by discipline indicates provision of both the liberal arts courses needed for general

education and transfer preparation, and the specialized, occupational training in business, computer, health, engineering, and public service technologies needed to meet the employment preparation needs of our students and the economic development needs of the county. The large number of hours in remedial education reflects the college's attempt to meet the needs of those admitted under our open-door admissions policy who need assistance before enrolling in degree-credit courses. At the opposite extreme, the existence of an honors program demonstrates the college's commitment to providing courses appropriate to all student educational levels, including the most gifted.

The data on student-faculty ratio, indicating an average class size of 20 students, highlights a strength of community colleges: the small classes that facilitate student-faculty interaction. The financial aid information, indicating awards in excess of \$4.9 million annually, demonstrates the college's commitment to access by providing financial assistance to those in need.

Performance Measures

The college has identified the following measures for evaluating its success in achieving the strategic priorities for fiscal years 1996-98 specified above:

Downsizing and productivity enhancement. Successful downsizing will be demonstrated by reduced numbers of full- and part-time employees on the official October 1st statistical date for employee reporting. The recent five-year trends in full- and part-time employment are shown in the tables below:

Full-time Employees by Occupational Category					
	FY91	FY92	FY93	FY94	FY95
Administrators	41	42	33	35	34
Teaching faculty	220	216	215	209	220
Professional staff	48	48	44	47	55
Technical staff	119	127	105	108	110
Office/clerical	97	98	94	98	96
Craft/trade workers	16	15	15	15	16
Service workers	56	58	72	72	71
Total full-time	597	604	578	584	602

Full-time staff, after declining by over four percent in response to the fiscal crisis brought on by a mid-year ten percent budget reversion in FY92, increased to pre-crisis levels in FY95 due to growth in faculty and professional staff. The administrative staff remained considerably below pre-1993 levels.

Part-time Employees by Occupational Category					
	FY91	FY92	FY93	FY94	FY95
Credit faculty	380	348	371	379	347
Con. ed. faculty	189	217	172	224	177
Professional staff	34	38	39	40	55
Technical staff	299	366	442	474	495
Office/clerical	170	146	141	152	145
Craft/trade workers	4	3	3	2	2
Service workers	56	41	56	54	67
Total part-time	1,132	1,159	1,224	1,325	1,288

Personnel files identified a total of 1,288 part-time employees in a pay status on October 1, 1994. Reflecting decreased enrollment, the number of adjunct faculty was lower in 1994 than in earlier years. Total part-time staff increased over the five-year period, primarily due to increases in technical and paraprofessional staff in student services, instruction, the natatorium, and restricted fund programs.

County funding. The performance measures for evaluating the county's support of the college include dollar amount of aid, percent of the college's operating budget contributed by county aid, county aid per full-time-equivalent student, and percent of county expenditures contributed to the college. All of these indicators are included in the *Annual Cost Containment Report* required by section 8 of chapter 465 of the Acts of 1991. The most recent cost containment report containing these data is appended.

External funding support. Assessment of the college's success with external fundraising will be made by tracking the number of donors and dollar amounts of grants and gifts received annually in several categories, yet to be determined.

Cost Containment

Section 8 of the Act mandating this financial plan requires Prince George's Community College, and only Prince George's Community College, to submit a separate report delineating cost containment measures adopted by its Board of Trustees, analyzing per-student costs by discipline, and evaluating the financial contribution made by Prince George's County to this community college. The required report is appended. A brief history of the fiscal crisis of the 1990s, and the college's responses to it, is presented here to place the college's plans for FY96-98 in context.

Declining state support and modest increases in historically low county contributions to the college have created a severe fiscal challenge to Prince George's Community College in the 1990s. State and county aid have fallen below goals established both in law and in negotiations. The college implemented a wide-ranging cost containment strategy to help manage these shortfalls. Despite these efforts, part of the "missing" public revenues were necessarily passed on to students in higher tuition and fee charges. These higher charges threaten a key mission of community colleges, that of providing access to students historically shut out from higher education.

Below are a series of statements summarizing the fiscal challenge, the college's response, and the college's needs for the future.

State and County Support in the 1990s

- **State aid to PGCC has declined.** The college receives less money from the state now than it did five years ago. Total state aid to PGCC in FY95 was \$857,189 less than in FY90, a six percent decline in current-year dollars. The effective reduction is even greater due to inflation.
- **PGCC sustained three consecutive years of mid-year state funding reversions.** State aid was substantially below anticipated budgeted amounts in fiscal years 1991-93. In addition to the cut in direct formula aid, the state in FY92 also cut its contribution to community college FICA and retirement systems by 25 percent. Altogether, the mid-year funding cuts in FY92 equalled nearly ten percent of PGCC's budget.
- **Beginning in fiscal year 1994, the college assumed responsibility for payment of social security contributions previously paid by the state.** In FY93, the state of Maryland had paid over \$1 million in FICA contributions for the college. These FICA payments are now incorporated into the college's budget.

- The state contributed 28 percent of the college's current funds revenues in FY94. The 1991 legislation creating the current community college funding formula stated a goal of having state support for community college operating costs equal 46 percent.
- Community colleges enrolled over half of the undergraduates in Maryland in FY95 and received 14 percent of state higher education general fund appropriations. The University of Maryland System, with 35 percent of the undergraduates, received 70 percent of state aid.
- The Maryland Department of Fiscal Services forecasts state revenue shortfalls approaching \$500 million by the end of the decade. Given that the state constitution requires a balanced budget, a substantial proportion of state expenditures is mandated by federal law, and tax increases are resisted by many in the public and in politics, it is unlikely that state discretionary expenditures for higher education will increase significantly in the foreseeable future.
- Prince George's County has historically provided a low level of support to PGCC, compared to the support peer counties have provided their community colleges. Whether measured in terms of the county's share of the college budget, county aid per student, or the share of the county's budget contributed to the college, the support provided PGCC by Prince George's County has consistently been substantially below that provided by similar counties in Maryland to their colleges.

The College's Response to Declining Public Support

To meet the immediate revenue shortfalls engendered by the state funding reversions, and to position the college for the new fiscal environment, several measures have been implemented over the past four years:

- **Elimination of cost-of-living increases.** The college has not granted a cost-of-living allowance since FY91.
- **Cost containment.** Measures implemented during this period to contain costs have included hiring freezes, elimination of all conference travel, elimination of professional development and training budgets, and freezes on equipment purchases. During the FY92 crisis, only essential purchases of supplies and materials in direct support of instruction and safeguarding life and property were permitted.

- **Employee furlough.** During FY92, twelve-month employees were furloughed seven days, and ten-month employees were furloughed five days. The furlough cost employees \$600,000 in lost wages.
- **Faculty summer pay reduction.** A reduction in the rate of compensation paid full-time faculty for summer teaching was implemented in FY92.
- **Instructional Services Fee.** This new consolidated fee, tied to the differential costs of teaching lecture, laboratory, and clinical courses, was implemented during FY92. While simplifying the college's fee structure and introducing a cost-based approach to fee charges, the new fee was also adopted to raise an anticipated \$1.5 million in revenue needed to meet the FY92 budget.
- **Administrative reorganization.** To meet anticipated revenue shortfalls in FY93 and beyond, the college abolished seven administrative positions through reallocation of responsibilities. The reduction, from 41 to 34, represented a 17 percent decrease in administrative positions. Five dean and two director positions were eliminated.
- **Voluntary Resignation Incentive Program.** A second measure implemented prior to FY93 was an "early out" voluntary resignation incentive program. Employees with at least 20 years of service were offered 50 percent of their FY92 salary as incentive for early retirement. Ten faculty, three administrators, and four classified staff accepted the offer.
- **Area downsizing.** Vice presidents in each area implemented a downsizing strategy in FY93 that produced annual savings of \$800,000. Twenty-seven vacant positions were abolished. In conjunction with the staff reductions, hours of operation of several campus services were reduced.
- **Fund balance expenditure.** To meet the FY94 budget without any increases in student tuition or fees, the college spent down its fund balance.
- **Health insurance cost reduction.** The college successfully negotiated cost savings in health insurance costs in FY95.
- **Tuition increase.** To meet the college's budget in FY95, tuition was raised from \$55.00 to \$64.00 per hour, a 16 percent increase.

The College and Its Needs

This section provides an overview of the college and its needs over the next five years.

- Over 35,000 people take classes at PGCC each year. Half are enrolled in degree-credit classes and half are enrolled in continuing education courses.
- More Prince George's County residents attend PGCC than any other institution of higher education. The college enrolls nearly three times as many county residents as the second most popular institution. Half of all county high school students who go to college will attend PGCC at some point in their college careers.
- PGCC is the only opportunity for higher education available to many county residents. The college's open admissions policy, plus convenient location and scheduling, make higher education available to many who would otherwise be shut out.
- PGCC enrolls more African-American students than any other college or university in Maryland. African Americans comprise three-fifths of PGCC's credit enrollment, numbering over 7,300 in fall 1994.
- Seven out of ten students entering PGCC are unprepared for college work. In fall 1994, 72 percent of entering students completing placement testing in reading, English, or mathematics needed remediation in at least one skill area. A fifth of the students needed developmental education in all three areas. Individualized instruction in computerized learning laboratories is a key, and expensive, component of the college's developmental program.
- In addition to the costs of remedial instruction, PGCC spends \$500,000 each year to provide academic support services to underprepared students. To assist students unprepared for college work, PGCC has implemented a number of programs including Student Support Services, Vocational Support Services, Tutoring Center, and the ALANA (African-Latin-Asian-Native American) minority student retention and transfer program. Many of these programs are currently supported by grants. The need for them, however, will continue when the grant funding runs out.
- To prepare students for the changing world of work, the college must maintain up-to-date instructional laboratories. Employers and students need the college to provide instruction and experience with the workplace tools of today and tomorrow. Rapid advances in computer and other technologies require the college to routinely upgrade and replace laboratory equipment.
- Funds are needed to implement the college's three-year Information Technology Plan. PGCC has developed a comprehensive plan to harness the cost efficiencies and technical capabilities of emerging technologies to improve instruction, student services, and general college operations. The plan calls for

replacement of the mainframe with LAN-based, client-server technology, utilization of fiber optics, establishment of an Internet node providing faculty, staff, and students access, and support of interactive video distance learning.

- **Opening of the new science building in 1998 will require new resources to fund increased housekeeping, utility, and other operating costs.** While this new facility is much needed to meet the educational needs of students, its opening will add considerable expense to PGCC's operating budget.
- **Funds will be needed to continue the growing Seniors program.** The number of senior citizens in Prince George's County is projected to increase by 15 percent between now and the year 2000. Exempt by state law from paying tuition, increasing numbers of seniors may avail themselves of the college's offerings, straining college resources available to support this program.
- **Increased public support is needed to moderate future tuition increases.** Despite efficient operations and cost containment efforts, PGCC faces a future of increasing costs of doing business. Without increased public support, the college will be forced to raise charges to students. Higher tuition and fees limit county residents' access to higher education. For many county residents, the community college is the only option available for higher education. If they cannot afford to attend PGCC, they will not pursue higher learning.

Cost Containment Strategies for FY96-98

The college's Board of Trustees approved an asking budget for FY96 of \$43,238,350 on November 10, 1994. The asking budget anticipated that Prince George's County would restore its contribution to the college to the prior level of 1.3 percent of the total county general fund expenditures. On March 8, 1995, the county notified the college that due to a budget shortfall in excess of \$100 million its contribution to the college would remain at the FY95 level. This resulted in a final FY96 budget of \$41,350,000--1.6 percent *below* the FY95 budget of \$42,025,034.

To meet this reduced budget, the college (1) eliminated six full-time faculty positions; (2) reduced the number of course sections offered by 10 percent; (3) increased class sizes by five percent; (4) postponed scheduled initiatives for better serving underprepared students; (5) denied employees a cost-of-living adjustment for the fifth consecutive year; (6) provided reduced longevity step increases for eligible employees of an average of 2.5 percent; (7) increased tuition by \$5 per credit hour, effective Summer I, 1995; and (8) increased the senior citizen registration fee from \$35 to \$50 per term. Additional cost savings to make this budget included \$175,000 savings resulting from increased use of managed care health plans, elimination of emergency contingency funds, and continued position consolidation and elimination.

To position itself for fiscal years 1997-98 and beyond, the college is committed to significant reductions in staffing. This downsizing and productivity enhancement strategy consumed much of the Planning Council's deliberations during the spring of 1995. Implementation and results of this strategy will be discussed in future *Comprehensive Financial Plans* submitted to the Commission.

PRINCE GEORGE'S COMMUNITY COLLEGE FY96 FINANCIAL PLAN

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(1)	a. Unrestricted Current Budget Expenditures by Function		Assum.	FY 98 Projected	FY 97 Projected	FY 96 Projected	FY 95 Budget	FY 94 Actual
	Instruction			18,312,572	17,677,679	17,524,621	18,008,155	17,104,253
	Public Service			0	0	0	0	0
	Academic Support			7,981,791	7,702,111	7,586,148	7,638,527	6,699,632
	Student Services			4,617,317	4,448,852	4,367,761	4,320,307	3,870,467
	Institutional Support			7,484,558	7,194,603	7,118,341	7,233,119	6,270,909
	Plant Oper. & Maint.			4,920,062	4,751,850	4,605,129	4,676,926	4,124,794
	Schol. & Fellowships			148,000	148,000	148,000	148,000	89,619
	Sub-Total			43,464,300	41,923,095	41,350,000	42,025,034	38,159,674
	Mandatory Transfers			0	0	0	0	0
	Non Mandatory Transfers			0	0	0		0
	Auxiliary Enterprises							
	Total			43,464,300	41,923,095	41,350,000	42,025,034	38,159,674
	b. Unrestricted Current Budget Revenue by Category							
	Student Tuition & Fees							
(5)	Credit	(5)		18,560,574	18,669,473	15,779,154	16,469,693	14,836,003
(5)	Non-Credit	(5)		1,627,029	1,590,000	1,590,000	1,560,000	1,571,851
	Governmental							
	Federal			285,000	285,000	285,000	244,307	284,778
(8)	State	(8)		10,549,201	10,578,383	10,578,383	10,805,335	10,950,157
	Local	(9)		12,789,339	12,065,414	11,382,466	11,382,466	11,032,466
	Gifts/Grants			0	0	0	0	0
(6)	Investment Income			375,000	375,000	375,000	375,000	251,167
(6)	Other			300,000	300,000	425,000	425,000	515,720
	Auxiliary Enterprises			0	0	0	0	0
	Excess of Costs over Revenues	(10)		(1,021,843)	(1,940,175)	934,997	763,233	(1,282,468)
	Total			43,464,300	41,923,095	41,350,000	42,025,034	38,159,674
(2)	c. Estimated FTE (per Item 2.a.)			9,813	9,785	8,691	9,531	9,262
	Estimated Unrestricted Expense (per Item 1.a.)			\$43,464,300	\$41,923,095	\$41,350,000	\$42,025,034	\$38,159,674
	Estimated Cost per FTE			\$4,429	\$4,284	\$4,758	\$4,409	\$4,120

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d.	Assum.	FY 98 Projected	FY 97 Projected	FY96 Projected	FY95 Budget	FY 94 Actual
Objects by Function						
INSTRUCTION						
Salaries & Fringe Benefits		\$17,486,884	\$16,876,040	\$16,746,331	\$17,413,073	\$16,665,297
Other Operating		\$772,643	\$750,139	\$728,290	\$545,082	\$243,734
Furniture & Equipment		\$53,045	\$51,500	\$50,000	\$50,000	\$195,222
<i>Instruction Sub-Total</i>		\$18,312,572	\$17,677,679	\$17,524,621	\$18,008,155	\$17,104,253
PUBLIC SERVICE						
Salaries & Fringe Benefits		\$0	\$0	\$0	\$0	\$0
Other Operating		\$0	\$0	\$0	\$0	\$0
Furniture & Equipment		\$0	\$0	\$0	\$0	\$0
<i>Public Service Sub-Total</i>		\$0	\$0	\$0	\$0	\$0
ACADEMIC SUPPORT						
Salaries & Fringe Benefits		\$6,908,944	\$6,660,512	\$6,553,634	\$6,632,733	\$5,756,652
Other Operating		\$997,700	\$968,641	\$961,681	\$935,394	\$801,872
Furniture & Equipment		\$75,147	\$72,958	\$70,833	\$70,400	\$141,108
<i>Academic Support Sub-Total</i>		\$7,981,791	\$7,702,111	\$7,586,148	\$7,638,527	\$6,699,632
STUDENT SERVICES						
Salaries & Fringe Benefits		\$3,952,147	\$3,803,057	\$3,740,775	\$3,730,969	\$3,454,397
Other Operating		\$651,692	\$632,710	\$614,282	\$576,634	\$387,878
Furniture & Equipment		\$13,478	\$13,085	\$12,704	\$12,704	\$28,192
<i>Student Support Sub-Total</i>		\$4,617,317	\$4,448,852	\$4,367,761	\$4,320,307	\$3,870,467
INSTITUTIONAL SUPPORT						
Salaries & Fringe Benefits		\$5,675,951	\$5,438,675	\$5,413,556	\$5,449,991	\$4,850,549
Other Operating		\$1,746,176	\$1,695,316	\$1,645,938	\$1,724,281	\$1,310,684
Furniture & Equipment		\$62,431	\$60,612	\$58,847	\$58,847	\$109,676
<i>Institutional Support Sub-Total</i>		\$7,484,558	\$7,194,603	\$7,118,341	\$7,233,119	\$6,270,909
PLANT OPERATION & MAINTENANCE						
Salaries & Fringe Benefits		\$3,112,086	\$2,996,533	\$2,900,938	\$2,927,523	\$2,655,600
Other Operating		\$1,761,827	\$1,710,512	\$1,660,691	\$1,705,903	\$1,456,832
Furniture & Equipment		\$46,149	\$44,805	\$43,500	\$43,500	\$12,362
<i>Plant Operation & Maintenance Sub-Total</i>		\$4,920,062	\$4,751,850	\$4,605,129	\$4,676,926	\$4,124,794
SCHOLARSHIPS & FELLOWSHIPS						
Other Operating		\$148,000	\$148,000	\$148,000	\$148,000	\$89,619
<i>Scholarships & Fellowships Sub-Total</i>		\$148,000	\$148,000	\$148,000	\$148,000	\$89,619
MANDATORY TRANSFERS						
xxxxxxxxxxxxxxxx		\$0	\$0	\$0	\$0	\$0
<i>Mandatory Transfers Sub-Total</i>		\$0	\$0	\$0	\$0	\$0
TOTAL EXPENDITURES & MANDATORY TRANSFERS		\$43,464,300	\$41,923,095	\$41,350,000	\$42,025,034	\$38,159,674

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2. Student, Faculty, Staff Data							
		Assum.	FY 98 Projected	FY 97 Projected	FY96 Projected	FY 95 Budget	FY 94 Actual
a.	Full Time Equivalent Students						
	(FTEs Eligible for State Funding)						
(2).(3)	Credit		6,627	6,666	5,604	6,353	6,316
(2).(3)	Non-Credit		2,900	2,834	2,834	2,900	2,714
	TOTAL State Eligible FTEs		9,527	9,500	8,438	9,253	9,030
	TOTAL FTEs - ALL						
(5)	Credit		6,826	6,866	5,772	6,544	6,448
(5)	Non-Credit		2,987	2,919	2,919	2,987	2,814
	TOTAL ALL FTEs		9,813	9,785	8,691	9,531	9,262

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b.	Full Time Equivalent Faculty Positions					
	(Credit Instructional Only)					
(7)	Full Time Contract					213
(7)	Part Time (Adjunct - FTE) - (Fall EDS)					152
c.	Other Staff Positions (Credit & Non-Credit)					
(7)	Administrators - FTE					35
(7)	Support Staff - FTE					638
(7)	Non-Instructional Faculty - FTE					20

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BUDGET DETAIL ASSUMPTIONS:						
	Expenditures					
	Expenditure Growth (EG)					
0.00%	Salaries & Fringe Benefits (SFB)					
5.00%	Full Time Salaries (FTSal)					
0.00%	Part Time Salaries (PTSal)					
0.00%	Part Time Faculty Salaries (PTFSAL)					
7.65%	FICA Tax(FICA)					
0.00%	Unemployment Ins(Unemp)					
0.00%	Benefits Contingency (BenesC)					
0.00%	Life Insurance (LifIns)					
5.00%	Medical Insurance (MedIns)					
0.00%	Disability Insurance (DisIns)					
0.00%	Retirement Expense (Ret Exp)					
3.00%	Other Operating (OO)					
3.00%	Furniture & Equipment (FE)					
	Revenue					
	Tuition will remain at present rates for years presented.					
	Tuition Balancer 94 (TuitBall)					
	Tuition Balancer 95 (TuitBall)					
	Federal (FedR)					
0.00%	State (StateR) See 5/8/95 MHEC Memo.					
0.00%	Local (CtyR)					
0.00%	Investment Revenue (InvR)					
	Other (OtherR)					
	Auxiliary Enterprises (AEF)					
	(1) NACUBO Survey					
	(2) CC-4 for historic years; historic numbers from Institutional Research.					
	(3) FY 95 & FY 96 furnished to MHEC earlier. FY 97 & 98 are provided by Institutional Research.					
	(4) Fall EDS					
	(5) No tuition increases from FY 95 forward.					
	(6) Used FY 95 Projected as standard.					
	(7) PLB 080 PGCC Internal Report					
	(8) Used actuals distributed at annual meeting; averaged previous increases for FY 98.					
	(9) Used 6%					
	(10) Balance budget as "surplus" or "deficit".					